



Community Budget Review Committee

April 24, 2025

Meeting Starts at 5:30p

Agenda

- Materials Available
 - Volume 1
 - Volume 2: School Reports
 - Superintendent's Proposed Budget Message (Meeting Recording)
 - Proposed Budget Presentation (See Appendix, Slides 6-37)
- Upcoming Milestones
- Review CBRC Questions / Answers
- Prepare for Local Option Levy Report
- Develop CBRC Annual Budget Review



CBRC Upcoming Milestones

DATE	ITEM
Monday, April 28, 2025, 5:30-7:30p, Zoom	CBRC Report Writing Session
Tuesday, April 29, 2025, 6:00-8:00p, Grant High School	Public Comment Session and Work Session - CBRC Attendance Optional
Thursday, May 1, 2025 5:30-7:30p, Zoom	CBRC Report Writing Session
Friday, May 2, 2025, 12:00p	CBRC Report Due Date
Tuesday, May 6, 2025, within 6:00-9:00p, Prophet Center or Zoom	CBRC Report Presented to Board

Central Support Functions Identifier

Description of Function Codes - Appendix - Pages 262-273

*Denotes a function code identified by Oregon Department of Revenue to be Central Office services activity.

26000 - Central Support Services* - Activities that support each of the other instructional and supporting service programs.

26200 Planning, Research, Development, Evaluation, Grant Writing and Statistical Services*

**See appendix (38-46) for more
information.**

Appendix

Action Plan for 2025-26 Budget Development

- Build on **PPS strengths**
- Develop a **shared vision**
- **Achieve vision together**
- **Organize and advocate** for education funding



Budget Process

BUDGET BUILDING

April - June

Propose Budget

- CBRC Report
- Approve Budget
- Public Comment & Hearing
- TSCC Certify Budget
- Adopt Budget

BUDGET PLANNING

January - March

- Budget Worksessions
- Conduct Budget Outreach
- Finalize Priorities
- Implement Workforce Plan



FISCAL NEW YEAR

July - September

- Implement & Monitor Budget
- Close & Audit Prior Year

BUDGET AWARENESS

October - December

- Adopt Budget Calendar
- Forecast Enrollment & Finances
- Conduct Needs Assessment
- Engage with Communities

Roles in Budget Development

Superintendent

Define vision and priorities;
set and staff organizational structure;
propose budget

Cabinet Leaders

Inform and enable vision and
priorities; lead coordinated initiatives

Cross-Functional Teams

Coordinate process and produce
deliverables

Principals

Inform priorities; implement staffing and
budget



Board of Education

Set direction; serve as Budget Committee;
approve levies and appropriations;
receive public comment

Community Budget Review Committee

Review budget and local option levy;
make recommendations to the Board

Tax Supervising and Conservation Commission

Certify approved budget and tax levies

Students, PPS Teams, Community Members, Partners

Inform priorities, elevate insights and
impacts

Data-Engaged Planning

To understand **PPS strengths, weaknesses, and focus areas**, we created a **needs assessment** that utilized state and local data sources, including:

- Community engagement findings
- Enrollment trends and student demographic shifts
- Student achievement data (state assessments, iReady, MAP, and other local benchmarks)
- Program participation rates and workforce alignment data
- Budget analysis and expenditure reports
- Equity impact assessments
- The Successful Schools Survey measuring schools climate and culture

2025-26 PPS Priorities

Investments are based on identified needs and center inclusive and joyful learning experiences for students to access the resources and supports they need to demonstrate excellence.

- Early Literacy Achievement
- K-12 Academic Success
- Attendance and Engagement
- Graduation and Postsecondary Readiness
- Safe and Supportive Schools
- Culture of Racial Equity & Care

Financial Pressures Contributing to Our Shortfall



Rising Costs

Inflation has resulted in higher costs of goods and services.

We have invested in our employees' compensation and teacher planning time. PERS costs are also rising.

Our student needs continue.



Limited Revenue

Our state dollars continue to fall short of the costs to operate our schools.

We have less special revenue, including the end of federal pandemic aid.



Declining Enrollment

We have fewer students and the same number of buildings.

Our funding is dependent upon number of students.

Since 2020, PPS's student enrollment has declined 10.8%, faster than Oregon's (6.5%), and is projected to continue to decline.

Estimating the Gap

\$130 Million GAP Forecasted for the Next Three Years

	2023-24	2024-25	2025-26
Gap Targets*	\$10 million +\$10 million	\$41 million +\$31 million	\$79 million +\$38 million
Possible Impacts	Cost savings activities in the current year could include: <ul style="list-style-type: none">- Re-strategizing Special Revenue spend- Underspend sweeps- Central Office hiring freeze and spending restrictions	Ongoing reductions from prior years can help meet target Budget development for 2024-25 will begin in January and the Board and CBRC will have public discussions to inform reductions	Ongoing reductions from prior years can help meet target Additional State School Fund revenue in the new biennium may change the gap amount

Published: January 16, 2024



Preliminary estimates

1

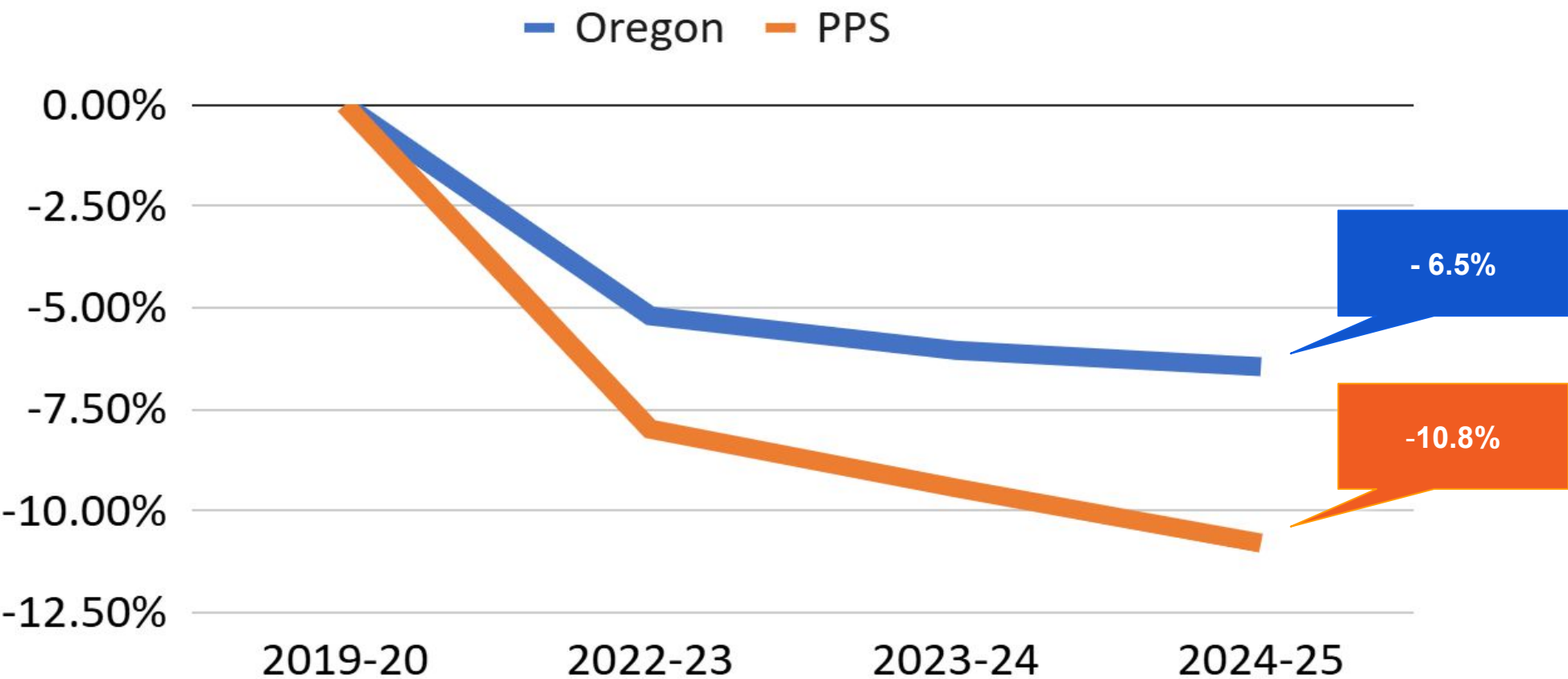
PORTLAND PUBLIC SCHOOLS

Enrollment Forecast

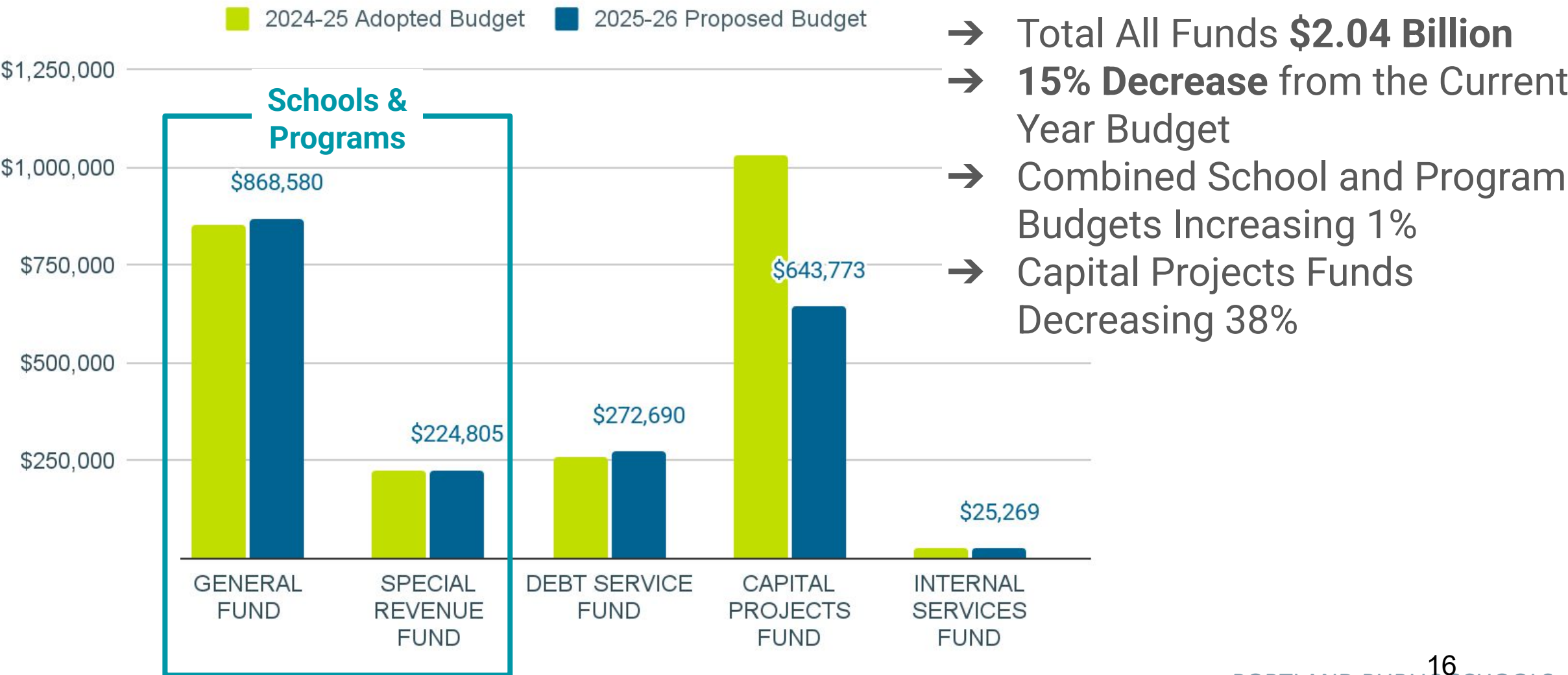
- Enrollment continues to decline
 - ◆ The largest decline is at the elementary level
 - ◆ We are currently experiencing an enrollment decline that will continue next school year
- We continue to serve large numbers of historically underserved students

Enrollment Trends

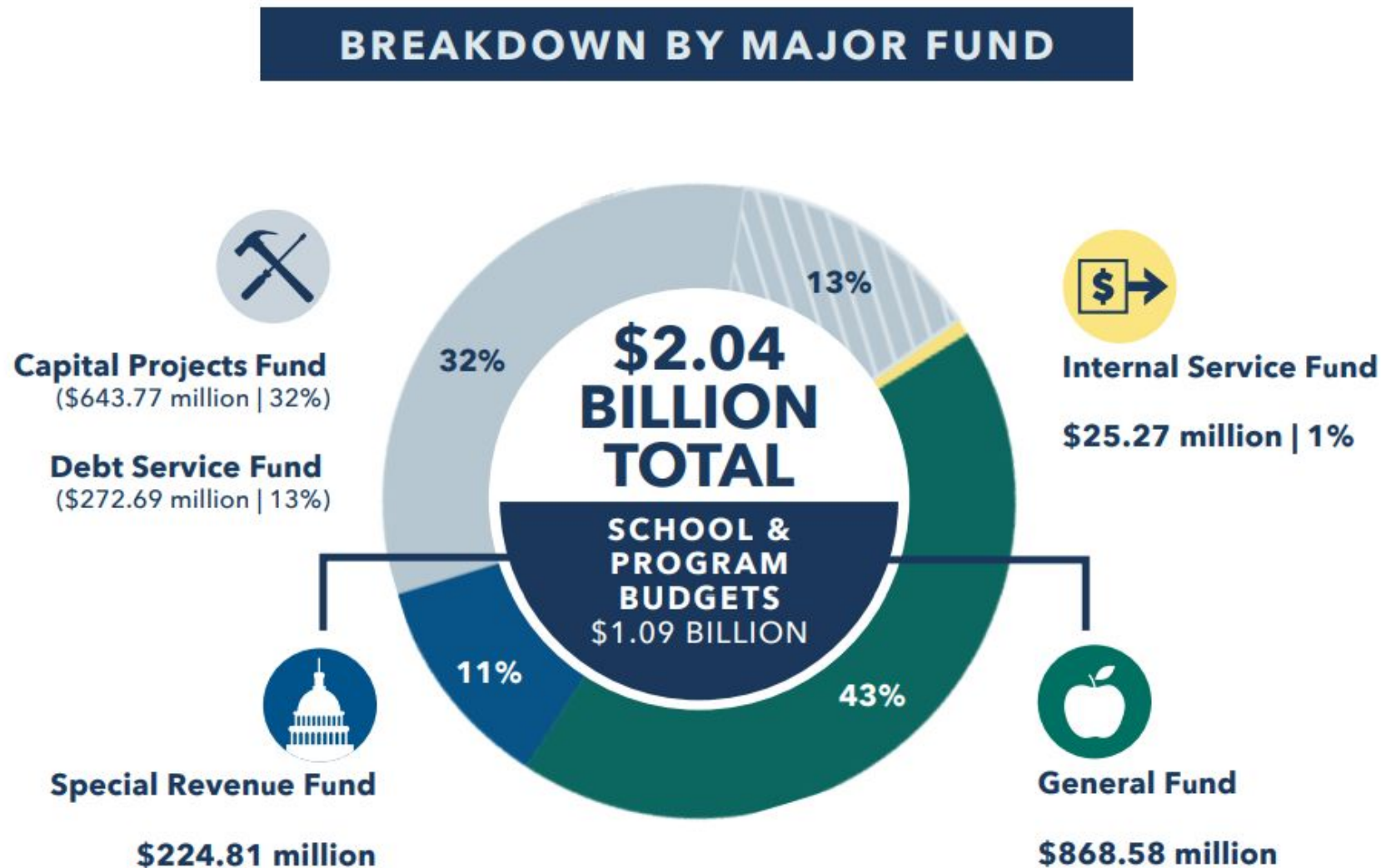
Oregon and PPS Enrollment Change



2025-26 Proposed Budget - All Funds (In Thousands)

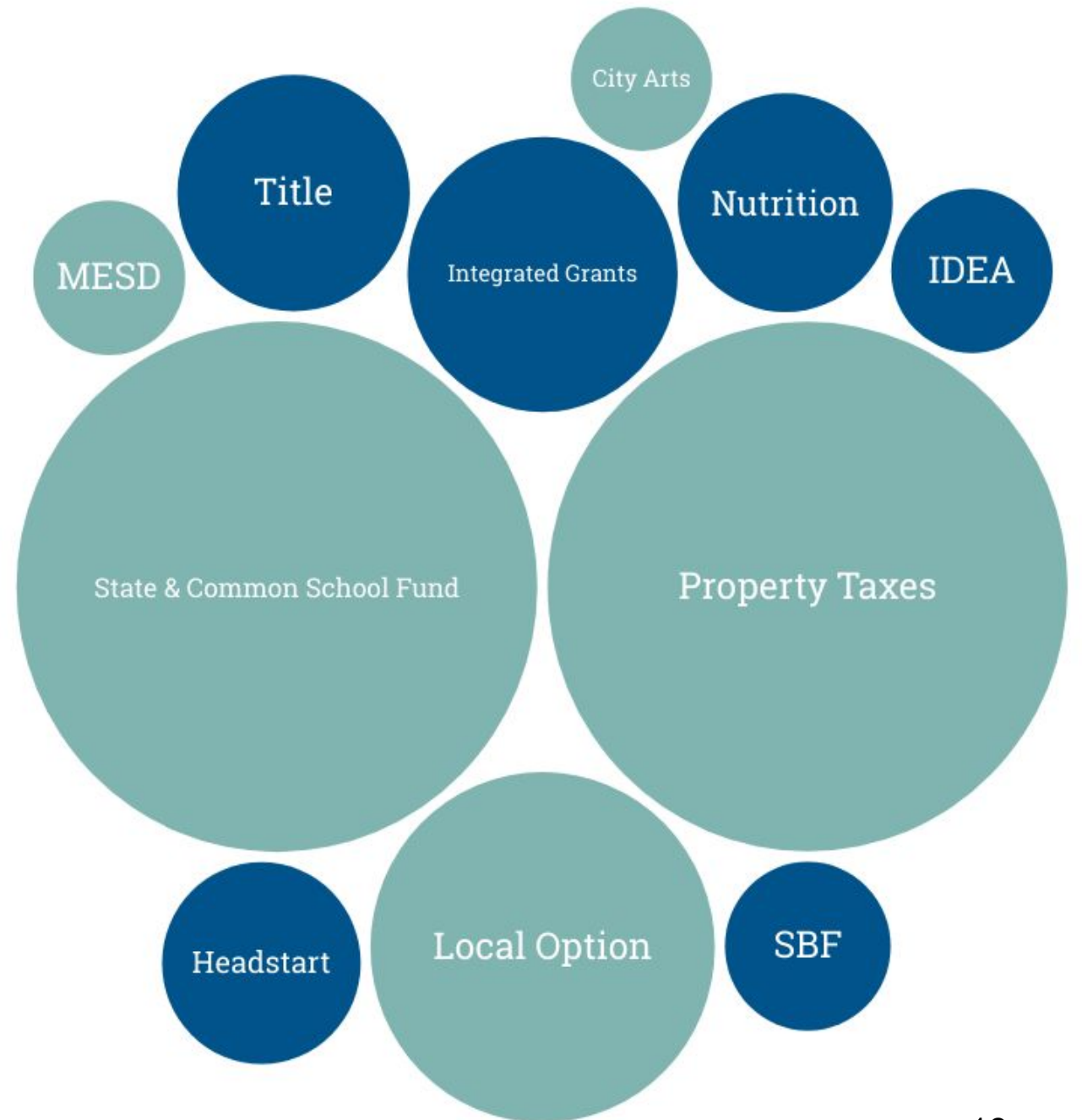


2025-26 Proposed Budget - All Funds



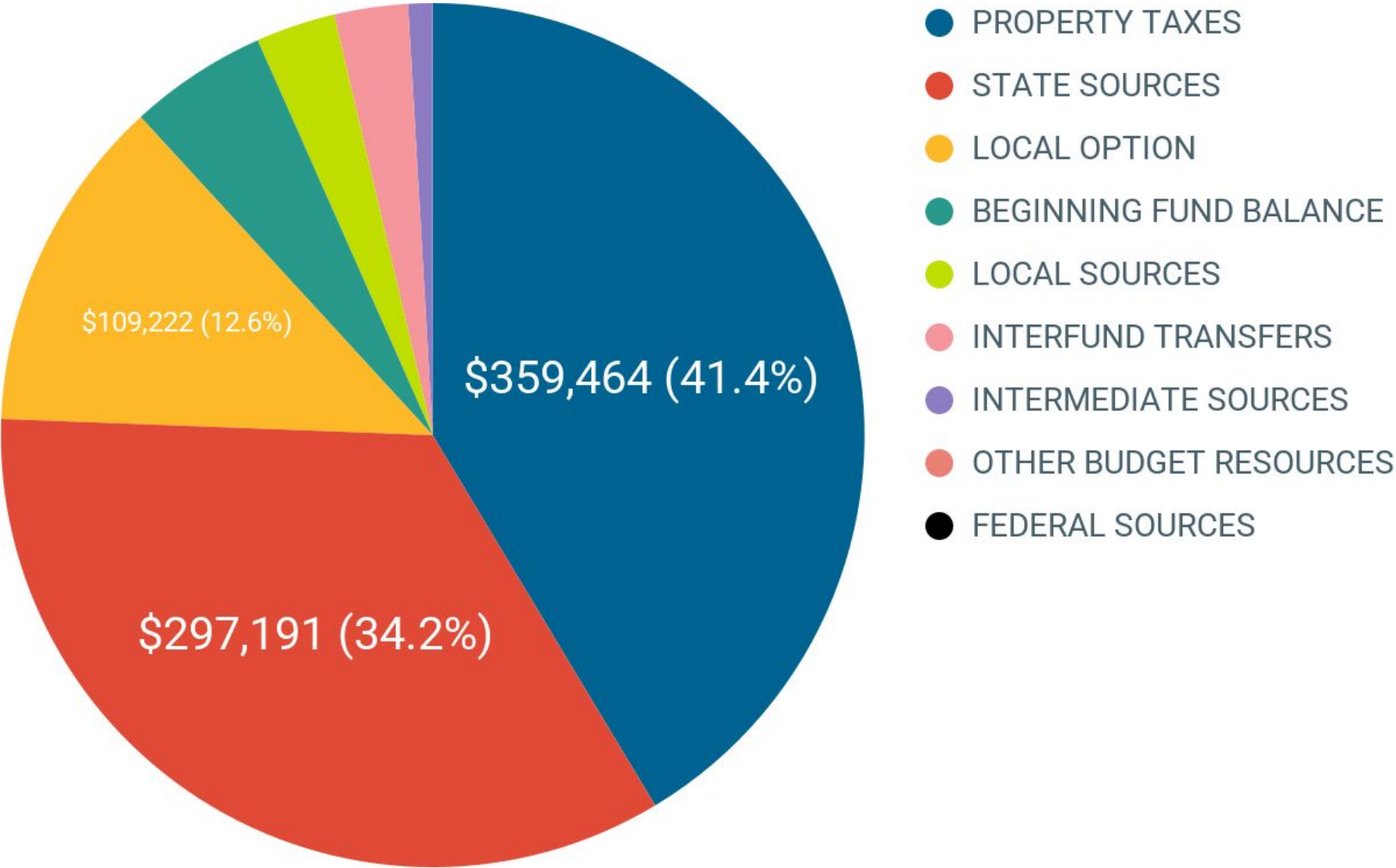
- Total All Funds **\$2.04 Billion**
- **15% Decrease** from the Current Year Budget
- Combined School and Program Budgets Increasing 1%
- Capital Projects Funds Decreasing 38%

General Fund and Special Revenue Fund Revenue Sources



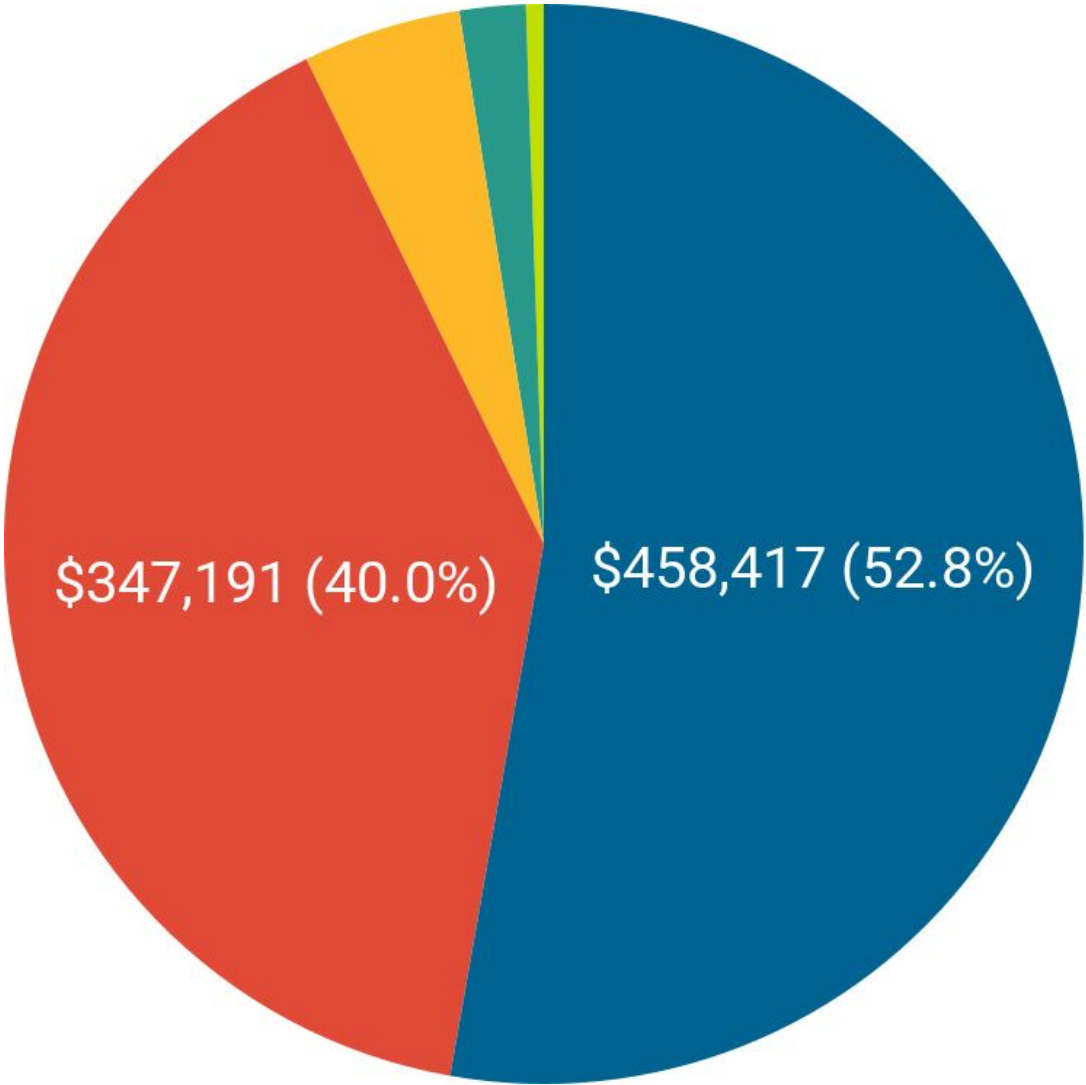
This is an illustration, it is not an exhaustive representation of our district's revenue sources.

2025-26 Proposed Budget - General Fund (In Thousands)



→ Total Resources
\$868.6 Million

2025-26 Proposed Budget - General Fund (In Thousands)



- INSTRUCTION
- SUPPORT SERVICES
- CONTINGENCIES
- TRANSFERS OF FUNDS
- ENTERPRISE AND COMMUNITY SERVICES

→ Total Requirements
\$868.6 Million

2025-26 Proposed Budget - 2025 Bond

The budget assumes passage of the 2025 bond on the May 20, 2025 ballot. The \$1.83 billion bond renews the existing tax rate and would be used to:

- Update and repair schools
- Improve safety and security
- Modernize high schools Jefferson, Ida B. Wells, and Cleveland
- Improve technology and educational materials
- Update athletics and performing arts facilities

Cash flow needed in 2025-26 for 2025 bond projects is included in the proposed budget.

Bridging the Gap: Contingencies & Risks

Given the significant budget gap we are facing, it may be necessary to:

- Maintain a minimal General Fund reserve
- Draw from the PERS Stabilization Fund (Fund 225)
- Implement spending restrictions
- Restrict Central Office hiring

To shield schools from the impacts of reductions as much as possible, we are willing to take these risks.

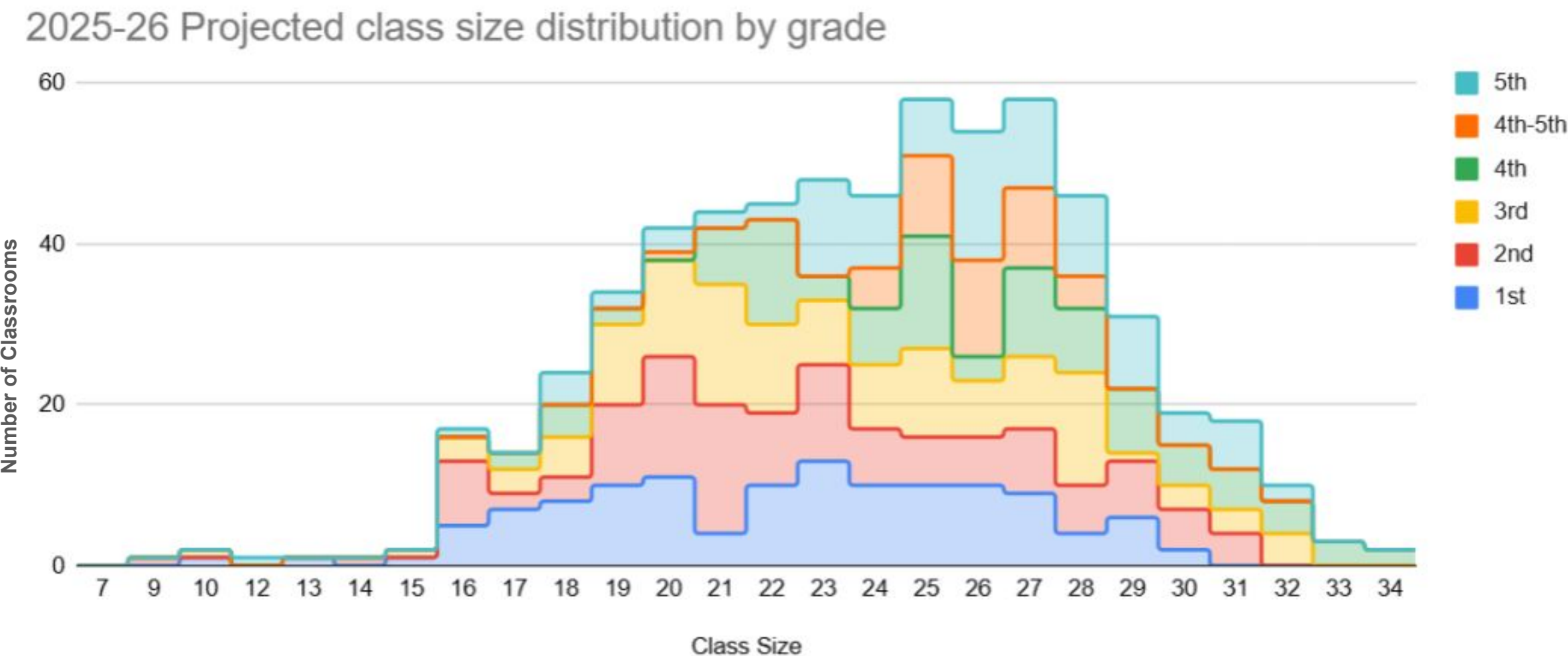
The budget is a *plan*, if our situation changes, this plan would also change.

2025-26 School Staffing

Promoting
School Flexibility, Stability, and
System-Wide Sustainability

- School staffing changes have been applied at all school levels.
- Upper elementary blends and middle and high school minimum class sizes have been implemented.
- Strategic school supports are maintained, although in some cases at a decreased level.
- Flexibility was added to allow principals to accommodate needs in their schools.

2025-26 Projected Elementary Class Sizes

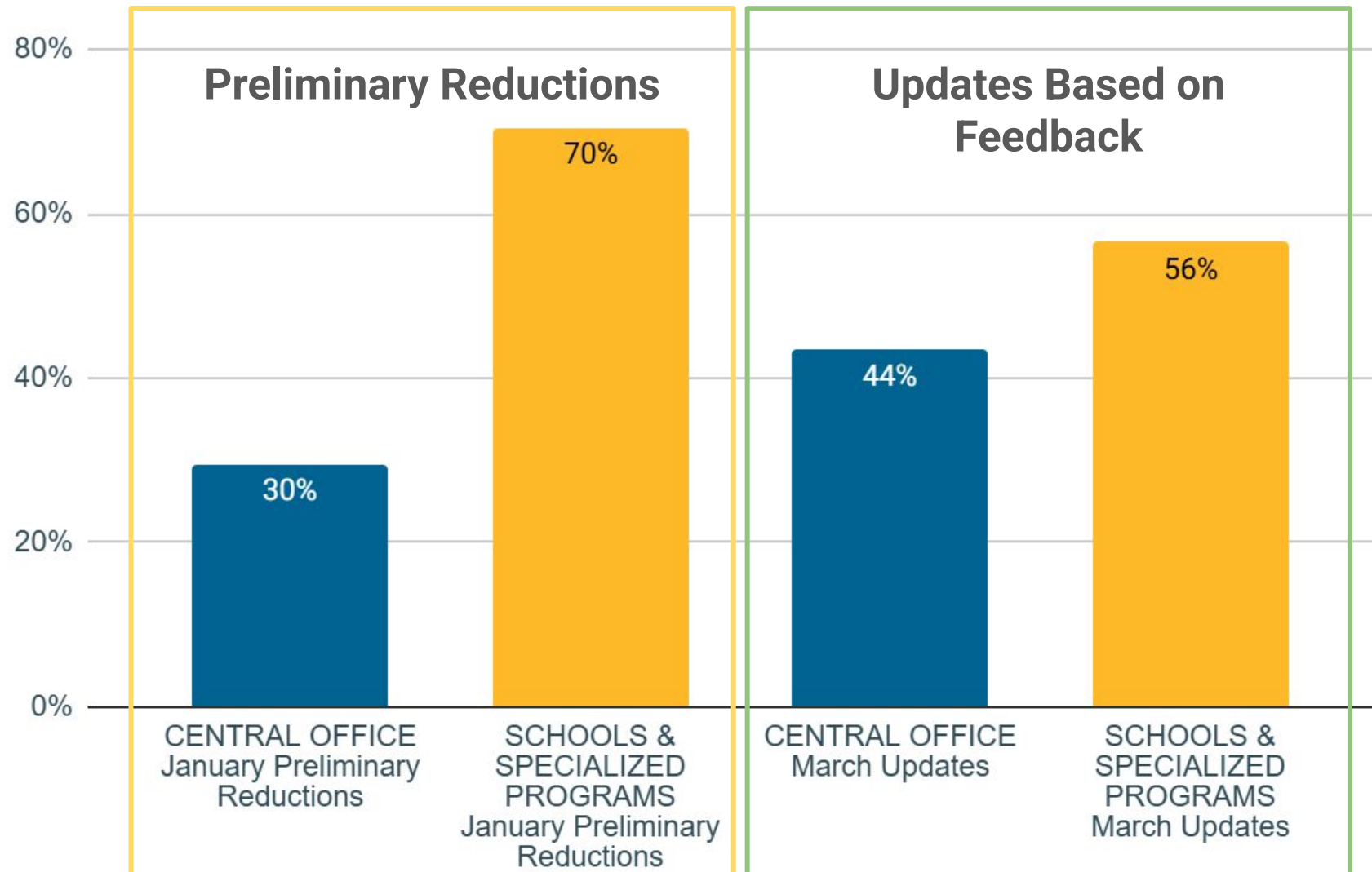


2025-26 Central Office

Prioritization, Streamlining, and
System-Wide Sustainability

- Central Office personnel and non-personnel budgets will be reduced.
- Personnel reductions impact multiple employee groups and functions.
- Leadership Restructure
 - ◆ The Central Office organizational structure has been streamlined. We anticipate improved efficiency and cost savings.
- Non-personnel reductions are focused in:
 - ◆ Contracted services
 - ◆ Professional development
 - ◆ Travel

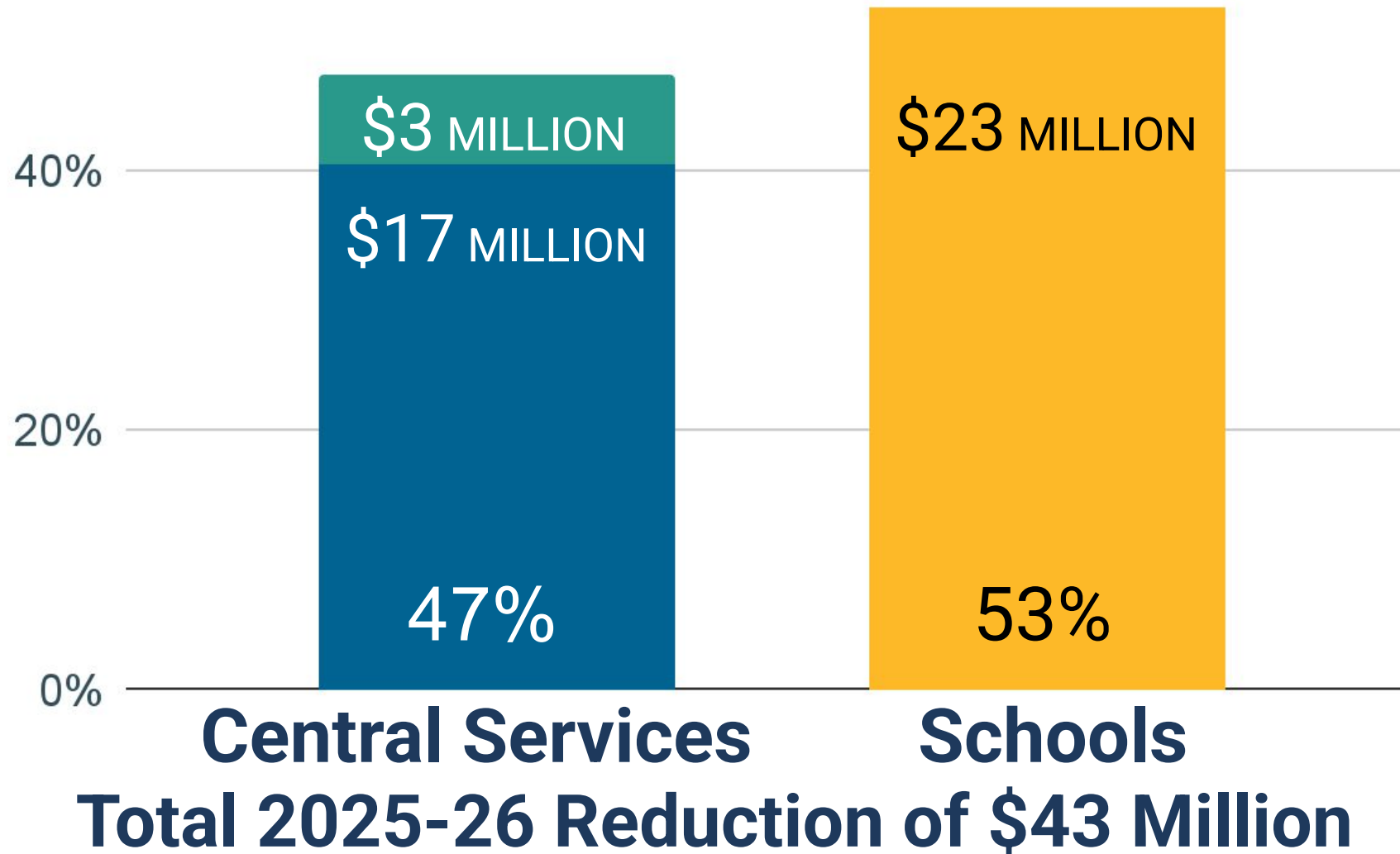
2025-26 Proposed Reductions As of March 2025



TOTAL ESTIMATED REDUCTION \$40 MILLION

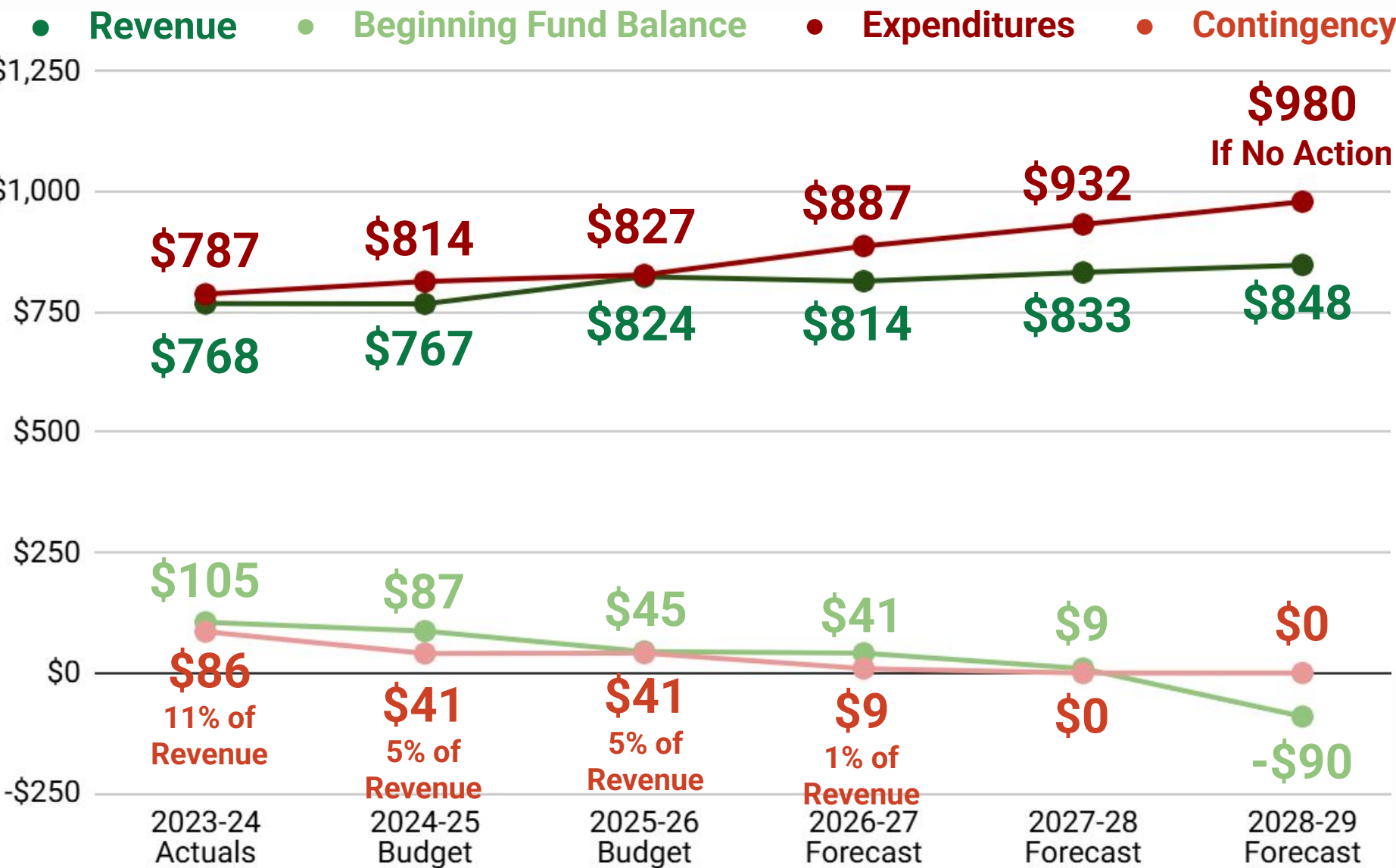
DRAFT: Estimates are preliminary.

Planning for the Future



- \$3 Million in Additional Central Office Reductions to Lessen Impact in 2026-27
- 2026-27 Reductions Estimated at \$32 Million

2025-26 Projected General Fund (In Millions)



→ Expenses are increasing while revenue declines.

→ If no action is taken, reserves are depleted and the budget deficit will compound every year.

2025-26 Federal Program Changes

Reduced Programs &
Uncertainty

- Uncertainty in federal program changes informed our planning process.
- Title programs have been reduced 25% due to uncertainty in funding streams.
- Although some federal programs have been expanded, increased costs limit growth in service levels.
- In some cases, sunseting programs caused reductions.

Board Adoption Timeline: Spring 2025

Date	Milestone
March 4, 2025	Board Budget Work Session with Community Budget Review Committee
March 18, 2025	Board Budget Work Session
April 22, 2025	Board Meeting: Superintendent Delivers the 2025-26 Proposed Budget
April 29, 2025	School Board Public Comment Session on the 2025-26 Proposed Budget
May 6, 2025	Community Budget Review Committee Presents Reports to School Board
May 19, 2025	Board Meeting: School Board as a Budget Committee Approves the 2025-26 Proposed Budget
June 10, 2025	TSCC Hearing: Tax Supervising and Conservation Commission Certifies the 2025-26 Approved Budget
June 10, 2025	Board Meeting: School Board Adopts the Approved 2025-26 Budget



Oregon Legislative Updates - Key Dates

Date	Milestone
December 2024	Governor's Recommended Budget Released
January 21, 2025	2025 Legislative Session Convenes
February 25, 2025	Measure Introduction Deadline
February 26, 2025	February Revenue Forecast
Mid-March 2025	Ways and Means Co-Chairs Budget Released
May 14, 2025	May Revenue Forecast
June 28, 2025	2025 Legislative Session Adjourns

State Advocacy

State Advocacy Toolkit

**Get involved and help
Oregon students achieve
their highest potential!**

- **Legislative Engagement**
- **External Engagement**
- **Templates and Scripts**

2025-26 School Staffing

- School staffing changes have been applied at all school levels
 - ◆ We **intentionally did not raise class size** across the board
 - Some bumps in FTE were removed based on school status
 - ◆ We have **retained strategic school supports**, although in some cases at a decreased level (for example, all schools will have at least a 0.5 FTE School-Based Instructional Coach to support teachers)
 - **Flexibility was added** to allow principals to accommodate needs in their schools with some allocations
 - ◆ Enrollment decline contributes to about 9% of school-based FTE reductions
- **Pre-Kindergarten** programming is continuing at the same level
- **Equity formula** is not changing

2025-26 School Staffing

→ Elementary School and K8 School

- ◆ Grade levels will be blended in upper elementary with school-based flexibility to blend specific levels between grades 3-5 based on school-specific needs
- ◆ Kindergarten Educational Assistants are prioritized for Title I schools
- ◆ Schools will retain support from a 1.0 School-Based Instructional Coach
 - With flexibility for 0.5 Academic Interventionist
- ◆ International Baccalaureate (IB) supports are no longer allocated due to a lack of IB pathways to upper grades

→ Middle School

- ◆ A minimum class size of 15 students has been established
- ◆ Dual Language Immersion supplemental resources are aligned to enrollment-based need
- ◆ Title I supplemental resources are reduced from a base of 2.0 to 1.0
- ◆ Schools will retain support from a School-Based Instructional Coach and receive discretionary FTE with a choice of Instructional Coach, Restorative Justice Coordinator, School Climate Specialist, or Social Worker

2025-26 School Staffing

→ High School

- ◆ A minimum class size of 15 students has been established
- ◆ Reduction of Career Coordinator funded by General Fund
 - Schools have **flexibility** to select a Career or College Coordinator funded by General Fund
 - High schools continue to receive a College Coordinator allocation funded by High School Success (M98)
 - School leaders have additional discretionary funding and may have invested in additional Career or College Coordinators depending on need

→ Multilingual Learners

- ◆ Itinerant staff **will continue** to provide support to schools with fewer students needing services
- ◆ Weighting has changed so **all schools** receive FTE based on student need (SIFE/PISA students get the highest weight)

→ Special Education

- ◆ Special Education staffing is enrollment-based; *no significant changes are planned for next year*

Reserves: A Household Example

	Year 1 2024-25	Year 2 2025-26	Year 3 2026-27
Savings - Start of Year	\$10,000 (10%)	\$7,000 (7%)	\$5,000 (5%)
Annual Income (+)	\$100,000	\$100,000	\$100,000
Annual Expenses (-)	\$103,000	\$102,000	\$100,000
Savings - End of Year	\$7,000	\$5,000	\$5,000

Public Comment

Share Public Comment
with the
Board of Education

[publiccomment](mailto:publiccomment@pps.net)
[@pps.net](mailto:publiccomment@pps.net)



**TOGETHER,
WE RISE**

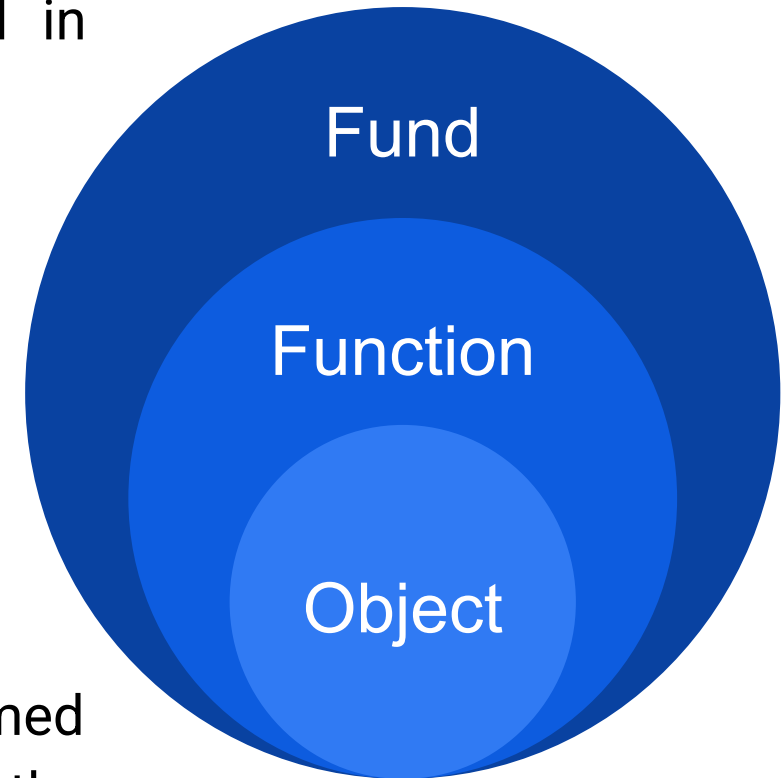
Central Office Services Budget Review with Tami Booth, Budget Director



TOGETHER,
WE RISE

Foundation - Local Budget Law

- Budgets are presented in a specific format as outlined in Oregon Budget Law.
- The purpose of the law is to:
 - Establish standard procedures
 - Outline programs & fiscal policies
 - Require estimates of resources and expenditures.
 - Encourage community involvement
 - Control expenditures of public funds
- Budget Organization
 - Program and Activities - A group of related activities aimed at accomplishing a major service or function for which the municipality is responsible.
- Budget book does not show department budgets, but outlines functions.



Budget Allocations by Function

- Account code structure is a requirement of Oregon Department of Education.
- Shows how Central Office funding is distributed in a way that ensures alignment with district priorities.
- Budget is divided into categories such as; operational support, instructional leadership, and student services
- Highlights changes from last year based on district needs

Why is the Budget Structured This Way?

- Focuses on what services do, not just where money is spent
- Helps align budget decisions with district priorities
- Avoids silos—many initiatives span multiple departments
- Provides a clearer picture of district-wide investments
- Ensures a thoughtful approach to central office spending

What's in the Budget Book? (High Level)

- Budget book organizes spending by function, not department.
- Provides transparency on key service areas
- Helps CBRC evaluate whether spending aligns with district priorities

Major Function	Actual 2021-22	Actual 2022-23	Actual 2023-24	Budget 2024-25	Budget FTE 2024-25	Proposed 2025-26	Approved 2025-26	Adopted 2025-26	Budget FTE 2025-26
1000 - INSTRUCTION	460,823	471,607	500,838	538,099	3,370.72	545,151	-	-	3,260.78
2000 - SUPPORT SERVICES	383,452	435,964	460,208	453,735	2,373.60	451,464	-	-	2,294.91
3000 - ENTERPRISE AND COMMUNITY SVCS	30,630	34,878	32,128	33,312	230.27	42,469	-	-	233.53
4000 - FACILITIES ACQUISITION AND CON	256,689	285,717	309,216	1,027,836	43.50	639,909	-	-	46.25
5100 - DEBT SERVICE & 5400 - PERS UAL PROGRAMS	619,232	226,739	250,869	259,438	-	272,690	-	-	-
5200 - TRANSFERS OF FUNDS	1,825	1,901	1,505	16,515	-	41,756	-	-	-
6000 - CONTINGENCIES	-	-	-	42,520	-	41,679	-	-	-
7000 - UNAPPROPRIATED FUND BALANCE	672,720	895,164	624,938	22,423	-	-	-	-	-
Total Requirements	2,425,370	2,351,970	2,179,703	2,393,878	6,018.09	2,035,117	-	-	5,835.46

What's in the Budget Book? (Details)

- Each Fund contains a requirements by function listing where investment focus can be reviewed to ensure alignment with District priorities.
- Central Office supports schools and district operations

Requirements by Function - 100 - General Funds (in thousands)									
Description by Function Code	Actual 2021-22	Actual 2022-23	Actual 2023-24	Budget 2024-25	Budget FTE 2024-25	Proposed 2025-26	Approved 2025-26	Adopted 2025-26	Budget FTE 2025-26
Requirements by Function									
1111 - ELEMENTARY K-5	124,260	123,301	128,709	140,770	934.48	143,637	-	-	887.77
1113 - ELEMENTARY EXTRA CURRICULAR	63	76	518	442	0.50	186	-	-	-
1121 - MIDDLE SCHOOL PROGRAMS	56,154	53,620	58,178	71,648	469.30	73,507	-	-	443.64
2610 - DIRECTION OF CENTRAL SUPPORT	977	1,064	432	699	4.00	588	-	-	2.00
2620 - RESEARCH,DEVELOP,EVAL SVCS	2,061	2,367	2,687	3,304	17.50	2,686	-	-	12.50
2630 - INFORMATION SERVICES	2,407	3,007	3,466	4,307	26.75	4,330	-	-	26.25
2640 - STAFF SERVICES	7,382	7,299	8,507	10,071	56.88	10,564	-	-	57.13
2660 - TECHNOLOGY SERVICES	14,977	17,444	16,530	19,792	71.20	14,695	-	-	64.20
2670 - RECORDS MANAGEMENT SVCS	378	402	379	511	4.00	449	-	-	3.00

Impact on Schools and District Operations

- Every dollar supports school operations and student learning
- HR ensures schools have qualified staff, IT supports classroom technology, etc.
- Schools cannot function effectively without these core services, regardless of which department provides the service.
- In looking at the function level, CBRC can focus in on ensuring community priorities are recognized and invested in.

Central Support Function Codes

Function codes ODE associates with Central Support Services

- 23XX - General Administration Support Services
- 2510 - Direction of Business Support
- 2520 - Fiscal Services
- 2600 - Central Support Services
 - 2620 - Planning, Research, Development, Evaluation, Grant Writing and Statistical Services
 - 2630 - Communication Services
 - 2640 - Staff Services
 - 2670 - Records Management

Central Support Functions Identifier

Description of Function Codes - Appendix - Pages 262-273

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26200 Planning, Research, Development, Evaluation, Grant Writing and Statistical Services*